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SUPPLEMENT 3 TO ATTACHMENT 2.2-A

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

Method for Determining Cost Effectiveness of Caring for Certain Disabled Children At Home

Annually, in October, the TEFRA Eligibility Committee will obtain a computer printout of the daily average expenditures by the Medicaid program on each TEFRA recipient for the previous federal fiscal year (excluding in-patient hospitalization\*) and will compare this daily average expenditure with the daily rate for the appropriate level of institutional care for each recipient as established by the Offices of Long Term Care and Medical Services. If the expenditures exceed the daily maximum rates for a particular TEFRA recipient, then that recipient's TEFRA case will be closed and the recipient will be referred for institutional care.

\* In-patient hospitalization is excluded in Long-Term Care categories because this is, in fact, institutional care and should not be considered in determining cost-effectiveness of TEFRA.

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